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Written Testimony

Submitted to
Michigan House Committee on Insurance Committee
Regarding H.B. 4936

By
Joseph C. Richert, President/ CEO
Special Tree Rehabilitation System

October 4, 2011

Mr. Chairman and Members of the Committee:

My name is Joe Richert. I am the President and CEO of Special Tree Rehabilitation System, a thirty six year old post acute health care provider of services to catastrophically brain or spinal cord injured persons with facilities in Wayne, Oakland, Macomb, Saginaw and Midland counties. I am adamantly opposed to this bill. It would have a devastating effect on the adequacy of benefits for the catastrophically injured motor vehicle victims. Thousands of good paying jobs would be lost. The cost for care would be shifted to me as a taxpayer, none of this with a guaranteed and substantial reduction in premiums. Others will or have provide detailed testimony regarding this.

My testimony is focused on what other states do. I am the Immediate Past Chairman of the Brain Injury Association of America. I have been on the board for over seven years. In that role, I had the opportunity to meet with our forty plus chartered state affiliates. All are envious of the Michigan model. Almost half of the states have passed legislation establishing a brain and spinal cord injury trust fund with funds usually from added fines, fees or surcharges to traffic related offenses, which have been designated for brain and spinal cord injury rehabilitation and services.

Seventeen states also administer a brain injury Medicaid home and community based waiver program to provide long term support and services, which may include limited rehabilitation and therapies in lieu of more expensive institutional level care.

Subacute Rehabilitation, Inpatient,
Residential, Outpatient and In-home
Neurorehabilitation Services

CARF and JC accredited



A few states have the benefit of state funding to support services and many use a combination of these funding sources to support the array of services needed after an injury. Please note that none of the programs provide for sufficient active rehabilitation for maximum reduction of disability of the catastrophically injured.

One relative standout is Texas. In that state, House Bill 1919 requires coverage for post acute rehabilitation for people with health insurance. Services critical to brain injury for example, cognitive remediation, must be a covered benefit of a health insurance policy in Texas. This is not required of health insurance companies in Michigan. Texas also has a Department of Assistive and Rehabilitative Services (DARS). This program costs the state approximately \$20,000,000 per year of taxpayer funding.

A final way that persons fund catastrophic care and treatment is through lawsuits. Unfortunately, rehabilitation services are not provided when most effective, which is immediately, as is the case in Michigan, rather it is ultimately two to four years later after the case is settled or won.

What do all of these programs have in common? Almost all provide sub-optimal care at a significant cost to the state. I am very proud of Michigan's enlightened private sector solution for providing optimal care for persons with catastrophic injuries stemming from automobile accidents. Please do not allow this program to be destroyed.

Thank you,

Joseph C. Richert